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**CONSIDERATION OF DEVELOPMENT PLANNING PRACTICES AND
TECHNIQUES IN AFRICA WITH A VIEW TO THE REVIVAL OF
LONG-TERM PLANNING FOR THE TRANSFORMATION OF THE
SOCIO-ECONOMIC STRUCTURES OF AFRICAN COUNTRIES**

INTRODUCTION

1. Since 1960, the vast majority of African countries have accumulated a rich and diversified experience in planning. Today, almost all the countries (45 out of 51) have planning structures and mechanisms. Even if the term 'planning' does not have the same meaning in all the countries and even if the implementation approaches, mechanisms and modalities differ from country to country, overall, the potential for local planning has increased substantially in the face of the numerous socio-economic development constraints. Potential skills, particularly skilled manpower and technical expertise in planning make it possible to analyse increasingly complex and critical socio-economic situations and thereby to draw up fairly sound, justified and workable national, subregional and regional plans.
2. Ironically, for more than a decade now, credible development planning on the continent has been at its lowest ebb. The attention of Governments is focused essentially on the demands of short-term management of prevailing crises. For several years now, many countries have abandoned all pretence of planning and have been bogged down in endlessly repetitive structural adjustment programmes that are manifestly inappropriate for the structural transformation of African economies and of their self-sustained development.
3. It is obvious that such an attitude contrasts sharply with the progressive efforts and peak development planning achieved in the wake of independence, when most Governments prepared such plans and when planning aroused great hopes on the continent and among development aid agencies and institutions. This has led to serious disarray among planning institutions and in the implementation of economic policies, a marked deterioration if not actual abandonment of the national economic decision-making process, which process is now characterized by widespread incoherence and an actual and gradual transfer of decision and policy-making power to donors.
4. Among the main causes of this most unwelcome situation, occurring at a time when major events of national and international impact are posing a real challenge to planners are the persistent economic and social crises, wrong ideas about the planning process, numerous technical deficiencies, lack of realism and of firm commitment to the implementation of plans adopted. In fact, the widespread substitution of inadequate SAPs for national plans, the challenging of African systems to democratize, the collapse of the planned economies of Eastern Europe, the resounding triumph of free enterprise, the reorientation of the priorities of the OECD countries towards the countries of the East (which will further weaken an already divided Africa succumbing to the weight of multiple problems) and the impending advent of the African Economic Community, urgently demand an evaluation of planning practice and techniques and the definition of an appropriate strategy and instruments for the indispensable integration of short- medium- and long-term socio-economic concerns.
5. This study falls within the above framework and is aimed particularly at stimulating national, subregional and regional development and implementation of an immediate programme of action for reviving development planning in Africa.

I. GENERAL OVERVIEW OF PLANNING PRACTICES AND TECHNIQUES

A. 1960s' euphoria in planning despite weak technical and institutional capacities

6. In the wake of independence, African countries set themselves the task of defining the measures that they intended to implement to complement their political independence with economic

independence. Among those measures, pride of place was given to development planning, whose necessity was acknowledged by all shades of opinion in view of the immensity of the task ahead and the numerous implications of the unavoidable reorganization and restructuring of the economies inherited from the colonial system. For the newly-independent African countries, planning was a symbol of progress and autonomy and an effective means of acceding to genuine economic independence. It also made it possible to assess and to bridge the gap between themselves and the developed countries. The justification for this position was:

(a) The success of the Soviet five-year plans that had propelled the country to the position of the second world power in less than 50 years;

(b) The need for foreign assistance which could not be secured without a national economic development plan;

(c) The experience acquired during the colonial period in certain countries where planning had been instituted.

7. Overall, however, the planning capacities, namely, institutional framework, the statistical apparatus, skilled manpower, etc. were virtually non-existent. Because of this, the first plans in Africa were prepared largely by foreign technical assistance, including freelance experts, research firms, bilateral assistance teams and missions of international financial institutions, supported by local teams comprising directors of central planning bodies and the few experts of technical ministries, which did not have adequate facilities for project analysis or regional planning. Even when the technical assistance personnel had acquired planning experience elsewhere, they knew very little about development problems in Africa and the few local personnel were young and inexperienced.

8. There was a striking similarity between the development strategies and objectives adopted, although each plan was prepared within a strictly national framework, without taking account of planning in neighbouring countries. Despite the ideological differences, the main concerns were as follows:

(a) Reorganization of the colonial administrative structures with a view to adapting them to socio-economic development objectives;

(b) Reform of domestic trade and distribution channels;

(c) Development of the modern sectors, particularly cash crop agriculture and mining;

(d) Speedy establishment of national local raw material processing industries and research structures for the development of natural resources;

(e) Intensification of schooling and staff training for Africanization of jobs, increasing health care facilities, establishment of social infrastructure, etc.

9. In general, the set objective in all the plans, was the raising of the standards of living and improvement of the living conditions of the people through increased national production and a fair distribution of the national income.

10. The development strategies, on the whole, were founded on increasing the productivity of the modern sectors, particularly agriculture and mining in order to obtain the necessary financial resources for capital, intermediary and consumer goods. Producer prices given to farmers were to help expand domestic demand, increase agricultural productivity and free part of the agricultural labour force for other productive activities, especially in industry. The main purpose of industrialization was to ensure import substitution and, to a lesser extent, to process exportable raw materials and to produce capital and intermediate goods. Besides, industrialization was to promote employment creation and structural changes conducive to economic modernization, promote vocational training and generate domestic savings. However, in so far as the largest share of the resources was to come from abroad, foreign trade became the cornerstone of the established economic system.

11. Theoretically, the plans were comprehensive because they specified objectives for sectoral GDP growth, public and private investment, government and household consumption and exports and imports. However, the objectives were nothing more than indicator projections based, most often, on extrapolations modified on the basis of common sense. While the plans can be classified as indicative or imperative, it should be said that African countries did not have the tools for either of the two types of planning; in other words, their administrative apparatus was quantitatively and qualitatively inadequate for implementing imperative planning. Indicative planning instruments were also disadvantaged by the lack of diversification in the taxation system and by a rudimentary credit system, lack of or very restricted financial market, a large own-account sector and budgetary expenditure composed largely of operating expenses. The formal framework of the plans was therefore limited to securing coherence between investment objectives and domestic and external resources.

12. The pride of place given in plans of the period to the development or investment budget testified to a certain degree of continuity from the colonial period and to the fact that the budget was the main instrument to which the planning body had access. The development budget was also of particular importance to donors in the sense that the initial plan implementation rate most often determined the actual level of development expenditure.

13. Planners paid little attention to the operating budget and planned recurrent development spending was inadequately examined. Moreover, the planning agencies only showed sporadic interest in economic policy instruments such as pricing and credit policies, money supply, exchange rates, currency regulations, regulation of private external borrowing, aid distribution, taxation and public expenditure other than investment. All these instruments which constitute the controls of the economy and which enable its balance to be preserved were not analysed and systematically integrated in the planning system. They were managed independently by such institutions as the Ministries of Finance and Trade and the Central Bank over which planners had no authority.

14. For this reason, the optimism aroused in the 1960s with respect to macro-economic trends, quickly proved to be unrealistic in the face of foreign sector imbalance brought about by extremely slow export growth, increasing dependence on imports and capital flight. The public finance imbalance reflected the rapid growth of operating expenditure as well as the swelling of current expenditure as a result of investments made without detailed study and without serious planning. Along with this, industrial production stagnated as the easiest import-substitution possibilities were quickly exhausted, bringing in its wake a consumption pattern characterized by a widening income gap aggravated by the introduction of highly capital-intensive technologies. Progress made was mainly in the areas of education, health and training.

B. Development planning during the 1970s

15. In the face of this situation, the 1970s witnessed a substantial expansion of planning activity in an effort to remedy the shortcomings of previous attempts. The theoretical scope of planning was expanded at three levels. Firstly, at national level: the increase in the number and size of enterprises led to a substantial extension of the role of the State. Secondly, at subregional level: it seemed that the balkanization of the continent was a factor of external vulnerability that limited growth possibilities and undermined Africa's position in international negotiations. Similarly, the lack of co-ordination between national policies that characterized the initial plans led to the duplication of non-viable projects. Efforts were thus initiated to establish various subregional organizations and to implement various forms of co-operation and integration from which several benefits were expected including increased intra-African trade, integration of industrial production and services, easier and less costly access to foreign technologies and harmonization of national plans. Thirdly, at regional level: the revised ECA master-plan for establishing a new world economic order highlighted the discrepancy between the development strategies adopted in the 1960s and Africa's economic transformation objectives and went on to formulate new strategies for: (i) making specific efforts to secure increased self-sufficiency; (ii) accelerating the internal and autonomous process of growth and diversification; and (iii) gradually eliminating unemployment and mass poverty.

16. In the countries, the institutional planning framework was gradually reinforced with skilled manpower and resources and new planning agencies and posts were created. Permanent structures including ministries or offices, planning and programming departments, units within technical ministries, regional planning services, central statistical offices equipped, in principle, with all the functions necessary for carrying out the planning exercise, namely definition of economic planning policy, studies on the design and implementation follow-up, programming, development project evaluation, organization and direction of programmes, investment co-ordination, organization of consultation with socio-professional groups, harmonization of opinions and possible choices, etc. dominate all socio-economic activities. These are strengthened by such temporary structures as supreme planning councils (the supreme authority responsible for directing economic policies), the planning management committee (the technical guidance body), sectoral technical committees (responsible for the detailed preparation of the plan) and advisory bodies (which give economic and social advice).

17. The planning process, which was more or less complex depending on the country concerned, is governed by the same logic in all systems: definition of political directives by the political authorities; preparation of a general framework by the central planning body; detailed analysis by sectoral committees, synthesis and approval; and implementation and follow-up.

18. In the plan preparation process, sectoral technical committees whose main task is to study prospects by sector and by branch, to specify the objectives to be attained during the final year of the plan and to determine the various resources necessary for their attainment have a vital role to play. Because of the number of these committees (supposed to embrace all activities covered by the plan) and the varying backgrounds of the personnel taking part in the work (theoretically all technical and administrative officials involved in the implementation of the plan both at the national and local levels), their experience, expertise, surveys and basic studies on which they depend, plans are considered to be a collective effort. The comprehensiveness indispensable to balanced planning, is achieved through the harmony of general operating hypotheses, the homogeneity of the estimation methods used and general co-ordination of all evaluations.

19. Although not always clearly obvious, the methods used combine pragmatism and empiricism, for lack of a reliable statistical apparatus with the conventional projection procedures of extrapolation, use of capital coefficient, input-output and consumption models, project analysis, etc. for determining the growth rate of investments, sectoral production and consumption patterns. In some respects, there was a marked development of planning methods during the past two decades with local officials becoming more conversant with them. However, despite the recruitment of a large number of local economists and considerable civil service staff strength, the practice of calling upon foreign technical assistance personnel or financial institutions to prepare plans continued.
20. At the micro-economic level, project evaluation methods were considerably developed. Attempts were also made to conduct systematic analyses of agricultural markets (and pricing policies) and the effectiveness of foreign trade and exchange rate policies. It cannot be said, however, that these analyses are regularly applied in the formulation of policies, but there is now a wealth of experience and data. At the macro-economic level, the increasing use of models has stimulated the search for fundamental relationships, the assessment of statistical data bases and the conduct of more complex macro-analyses.
21. Nevertheless, the expansion of the institutional framework led to a dispersal of planning tasks among a large number of poorly co-ordinated bodies that did not have access to the top officials and which, instead of bringing about greater coherence in planning operations, further disorganized them.
22. For instance, the choice of an appropriate location of the central body and of the institution of a major decision-making process requiring coherent and firm planning have remained an endemic problem that is still unsolved. The quasi-general rule is to separate the Ministry of Finance and the Ministry of Planning, with the latter Ministry having no priority over the other ministries. In the few exceptions to this rule namely, Botswana, Ghana and the Central Africa Republic, there has not been any change in the process of resource allocation. In times of economic crises, short-term budgetary concerns relating to the functioning of the public services gain precedence over any investment expenditure. Thus the domestic investment budget prepared by the Ministry of Planning depends on the goodwill of the Ministry of Finance and very often remains a dead letter. Planning authorities are further weakened by the fact that budget estimates are generally not based on those of the basic indicators in the plan. The other technical ministries with the same status as the Planning Ministry, in government hierarchy, also do not submit to its requirements since they have direct access or indirect access through other channels to external financing sources. The Ministry of Planning tries single handedly to keep an up-to-date list of projects which increasingly become unrecognizable as changes are made in the designation, content and orientation of activities.
23. Moreover, planning and finance departments are unable to monitor the financing of projects because disbursement accounting is not their responsibility. This is because the appeal for funds is often made directly between the project management and donors and payments are also made between donors and external suppliers of goods and services. The technical departments themselves do not always have information on the physical implementation of their projects and cannot lay any claim to verifying the relevance of their objectives, the choice of technologies or the quality of the impact of the projects and programmes on the actual living conditions of the people.
24. The private sector which does not have easy access to planning and budget documents because of the bureaucratic tendency to secrecy does not feel a party to the implementation of the

plan since it had no part in preparing it, and only got to know of it through the often very unrepresentative chambers of commerce and industry.

25. Designed without coherence from competing and ambitious political options, macro-economic projections totally detached from economic, financial and socio-cultural realities, and within the context of ritual state budgeting based on the computation of project ideas within technical ministries, plans are implemented amidst inter-governmental and inter-bureaucratic rivalries, in other words in a disorder that leaves no room for co-ordination and harmonization of the plans at the subregional level. Subregional co-ordination structures which depend on national budgets to function, struggle for survival and attempt to implement, with State backing, projects financed by external sources and which are not included in the planning process.

C. Marginalization of planning systems during the 1980s

26. During the 1980s, several initiatives were made at the regional level to base planning on specific strategies and objectives suited to the economic development and growth of the continent. These were the adoption of the Lagos Plan of Action (LPA) and the Final Act of Lagos (FAL), Africa's Priority Programme for Economic Recovery (APPER), the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD) and the African Alternative Framework for Structural Adjustment Programmes for Socio-economic Recovery and Transformation (AAF SAP).

27. However, during this period, the trend towards the low rate of planning was reinforced by the serious and widespread economic crises that the continent was going through and whose visible consequences from 1980 to 1989 were the decline in various sectors i.e. 1.7 per cent in per capita income, 1.9 per cent in gross fixed capital formation, 2.7 per cent and 3 per cent in the volume of imports and exports respectively, 3.1 per cent in commodity prices, coupled with a quadrupling of unemployment, a doubling of the debt burden to \$US 256 billion in 1989 and an increase from 17 to 18 of the number of least developed African countries.

28. With the continuation of the crisis and the attendant mounting uncertainty, the international environment and growth conditions have become less and less foreseeable over a long period of time, making the urgency of unmet needs and the tensions that they engender even more critical. Macro-economic and financial imbalances result in more intense intervention of external partners in debt payments and in the policies for bringing about a balance. The countries continued to engage in an unending succession of structural adjustment that came to replace long-term development strategies: numerous plans prepared in keeping with the objectives of the LPA and FAL were purely and simply cast aside without any hope of being implemented.

29. The crisis has undermined the belief in planning for several reasons:

(a) The leverage of Governments in decisions on the allocation of resources has been drastically reduced and even totally eliminated;

(b) The policies implemented in structural adjustment programmes have nothing in common with the usual stages associated with economic planning;

(c) The crisis has put in question the effectiveness of previous planning efforts and strengthened the arguments of those who had criticized public intervention in those efforts.

30. The erosion of the leverage of Governments came about as the result of the increasing share of external aid in development budgets, which affected the distribution of external resources as well as predetermining national contributions to projects financed and influencing the trends in recurrent expenditure for the selected projects. In fact, decisions on investments, particularly public investments are made during negotiations on aid and debt repayment.
31. Structural adjustment policies aim, *inter alia*, at trimming down the public sector, eliminating price distortions in the various sectors, liberalizing trade, promoting savings and over and above that securing balanced budgeting and balance-of-payments equilibrium through the adjustment of exchange rates, devaluation, interest rates policy aimed at encouraging savings and better resources allocation, credit control and reduction of public expenditure. States implementing adjustment programmes seek to restore liquidity in their economy and to withdraw from the productive sectors. Deporably, SAPs are generally prepared with the support of the World Bank and IMF independently of any consultation with the parties to the social contract under which the plan will be implemented.
32. The wide range of instruments available to Governments for restoring general economic balance include: the budget, the money supply, credit, exchange control regulations, exchange rates, regulations on external borrowing and, to a lesser extent, aid distribution. In African countries, these measures come largely under the responsibility of the Ministry of Finance and the Central Bank. Structural adjustment programmes are going to move the centres of decision-making mainly towards these institutions, leading to a loss of influence of the Planning Ministry and indeed the marginalization of the planning systems in keeping with liberal thinking that local prices should reflect international market prices and also that State control should be minimized. Such a concept seems to suggest that planning should have as little influence as possible on the international economic relations which form the backbone of African economic systems.
33. The modalities of adjustment programme implementation and the major role played by the World Bank and IMF have also deepened and widened donor interference in the work that falls within the area of competence of national planning systems: advice on economic policy options could lead to strict conditionalities regarding the securement of funds for projects planned under investment programmes, close supervision in the execution of certain projects, establishment of totally autonomous economic diagnosis and forecast facilities by certain multilateral or bilateral agencies, some of which could conduct their own economic surveys, process the data and analyse them to back up their standpoints during negotiations with the countries, etc.
34. In practice, the diversity of aid bodies and procedures and the concern of donors to maintain direct contacts with each administration responsible for the programme, make it possible to evade any central control, making the co-ordination of aid which is the responsibility of the Planning Ministry difficult. Moreover, the short term collection, processing and analysis of information on public finances and debt often involve all the planning, forecasting and statistical services. This aspect introduced in statistical and planning work by donors should not be underestimated. The poor quality of data on household consumption, savings, employment and mobility patterns or those relating to regional and spatial development is due to the little importance that donors attach to income distribution issues. The countries themselves have not paid enough attention to the development of the statistical services so that in several countries macro-economic data collection has advanced very little or has even deteriorated. Such deterioration of the statistical base makes planning more difficult since a decline in planning, in turn, contributes to greater incoherence of the statistical system. In fact, good statistics are produced in response to specific needs.

35. Another major consequence of adjustment programmes is that with the erosion of the central control exercised over resource allocation and the ever-increasing external share in investment financing, the objective of planning has shifted from rational resource allocation to the search for external financing, with the plans reduced to a list of projects proposed to external aid agencies for selection. A fairly widespread trend in the implementation of SAPs during the 1980s was the system of triennial rolling programming (Côte d'Ivoire, Togo, Gabon, Senegal, Mali, Botswana, Seychelles, the Niger, etc.) which made it possible to clearly outline the annual investment budget and medium-term investment programme. The triennial public investment programme, in principle, comprises macro-economic perspectives for a three-year period and a portfolio of projects included in the consolidated public investment budget (comprising State resources, gifts and funds drawn on external credits subscribed, guaranteed or reallocated by the State. The first year of the programme corresponds to the financial investment budget voted by law. The triennial public investment programme is roll-sequenced to cover the budget year and all State investments. It involves an annual evaluation of financing capacities and the implementation of studies on the timeliness and feasibility of the projects concerned. It also formally introduces the procedure of competent budgeting and is equivalent to a law. While it resembles a long-term planning process (enumeration of macro-economic indicators and listing of supporting projects), the triennial public investment programme corresponds to the logic of SAP and not to that of long-term planning. Adjustments are based on actual, particularly external financing possibilities and not really on long-term development objectives and priorities. Its preparation is also far from being the product of collective effort, a worthwhile objective pursued in the preparation of national development plans.

36. The quality of investment programming thus undertaken depends on three elements: availability of the statistics necessary for macro-economic and macro-financial framing, methodologies and project evaluation and selection techniques and the taking-over by the technical ministries of certain investment programming and monitoring tasks. These three conditions are far from being met. In fact, there are long delays in the production of national accounting statistics in many countries, with the capacity to select projects being totally contingent on the availability of external financing. Ministerial departments rarely monitor the physical implementation or impact of projects. Even worse, just as in the case of national plans, popular participation or the organization of a permanent dialogue for such participation is totally lacking.

37. To sum up, development planning experiences in Africa are characterized by poor performance in the fulfilment of objectives and by numerous deviations from official priorities. The reasons for this are the unsuitability of the development models adopted, unrealistic projections, lack of cohesion between objectives and the resources for achieving them, numerous technical deficiencies at the level of design and implementation, strong external dependence and the lack of control over the resultant economic policy instruments. The vulnerability and precarious nature of the main activities of the majority of the people (agriculture, subsistence and informal activities) limit the impact of normative planning. SAPs that have gradually replaced development plans are inappropriate because they are focused on the short-term and the regulatory function of the market, contrary to common knowledge that many problems cannot be left at the mercy of an imperfect market incapable of seizing development opportunities.

38. The elimination of the strategic function of planning by SAPs has several adverse consequences: the long-term consequence of policy decisions are neglected as are essential issues such as income distribution, population, employment, popular participation, appropriate development and long-term structural models. On the other hand, thinking on these issues has clearly shown, in AAF-SAP, that the main problems of Africa are not primarily those of adjustment

and restoration of balances but rather those of the very essence of development, the priority needs to be addressed, the social and cultural balance to be achieved and what all that imposes on relations with the outside world. Africa's true problems, its most urgent ones today, are long-term problems.

II. INTEGRATION OF THE LONG, MEDIUM AND SHORT TERMS THROUGH THE RENEWAL AND REVIVAL OF ECONOMIC DEVELOPMENT PLANNING IN AFRICA

A. Brief review of Africa's development objectives as defined in the Lagos Plan of Action and in AAF-SAP

39. The institution of a long-term planning process that integrates the short and medium terms should now be the absolute priority of Africa. This is because there is no doubt that the effect of population and urban growth, the meeting of social needs, and the response to the destruction of the ecosystems require a long-term view of the future of the entire region and that investments and infrastructural planning should contribute to economic integration. There is also no doubt that the current institutional crisis demands reconstruction plans which should go beyond the strictly national framework. Moreover, the profound changes under way in international division of labour, new prime sectors, and shifting centres of gravity compel Africa to find new niches and to seek a new position in international relations, bearing in mind that the external actors who now influence its dealings themselves have long-term perspectives that Africans should familiarize themselves with, analyse and take into account.

40. That Africa's long-term development preoccupations are of major concern emerged clearly from the Addis Ababa Joint Statement by African Ministers of Economic Development and Planning and Ministers of Finance and in resolution 676 (XXIV) on AAF-SAP adopted by African Ministers of Economic Development and Planning in April 1989 after due consideration of the continuing deterioration of economic, financial and social conditions in the region despite the laudable efforts made to apply general reforms and structural adjustment and stabilization programmes and the urgent need to institute sustained structural transformation, growth and development within a coherent and practical conceptual framework that integrates the short and medium terms. Only renewed and dynamic development planning could constitute such a framework for the speedy implementation of Africa's development objectives as stipulated in the LPA and reiterated in AAF-SAP.

41. These objectives which are worth mentioning are:

(a) Firstly, to alleviate mass poverty and to improve the living standards of African people. Secondly, the concept of self-sustained development is considered essential especially as regards such short-term basic objectives as the attainment of food self-sufficiency, the provision of critical goods and services, etc. While acknowledging the inter-dependence of the economies of the world the LPA also emphasizes the need to achieve collective national and regional autonomy;

(b) Within the framework of the current imperatives of revival and transformation, AAF-SAP reiterated and redefined the above-mentioned objectives by emphasizing that the urgency of alleviating mass poverty and of improving the standard of living of African people did not simply derive from humanistic and altruistic considerations but were predicated, above all, on the provision that development has to be engineered by the people themselves through their full and active

participation. AAF-SAP emphasizes that the attainment of food self-sufficiency calls for a change in the food consumption patterns and efforts to maintain population growth at sustainable levels. It is therefore important to ensure a realignment of the consumption patterns with the production capability in Africa given that Africa should constantly have three major considerations in view, namely, access of the poor to basic factors of production, especially land, creation of employment opportunities and improving the patterns of distribution of national wealth. It is acknowledged that the most difficult task for Africa in its efforts to transform its structures is the transformation of production processes. The most important dimensions of this task are increasing the productivity and efficiency of resources, decreasing the dependency of external resources and securing broad-based participation of people in deciding what they need and producing the relevant goods and services. Consequently, the institution of an endogenous development process is the only way that will enable African countries to achieve autonomy and to carry out authentic economic and social transformation;

(c) Furthermore, the integration of African economies and the attainment of collective self-reliance involves three inter-dependent dimensions, namely, the integration of the physical, institutional and social structures, the integration of production structures and the integration of African markets.

B. The urgency of instituting a process of long-term planning for the short, medium and long terms

42. The attainment of self-sustained development which is human-centred and aimed at the integration of the economies of the region requires the adoption of a long-term development planning process that would include both short-term and medium-term plans as well as articulated technical and logical stages in the long-term plan. This plan should itself be based on a firm and legitimate political will, a rational and methodological process and reliable economic policy instruments at the national, subregional and regional levels.

43. The process of long-term planning therefore presupposes the existence:

(a) At the national, subregional and regional levels

- (i) A ten- to twenty-year long-term plan, depending on the nature of set objectives, which allows for continuing development and the structural changes expected to take place in the economy. Such a plan would deal above all with the main macro-economic components, the priority sectors and to large-scale projects of paramount importance to development at the national, subregional and regional levels. The preparation of a long-term development plan should be based on a structural analysis of realities of the past and of the present and on future prospects;
- (ii) The retrospective analysis will attempt to define the development trends observed as well as the mechanisms of this development and among them the conditions for changing the trend. It will also identify the main variables at the source of the trend and other dynamics needed to secure a more accurate picture of the realities;

- (iii) The prospective analysis will use its instruments to determine the likely trends in the future on the basis of the critical variables selected. However, since such an analysis can hardly be considered to be foolproof, it should also distinguish between various development scenarios using various hypotheses as to trends and variables, identify the risks and advantages of these hypotheses, to link them to the normative scenarios, taking into account collective preferences for building desirable and credible scenarios. Building scenarios also helps all concerned to improve their view of the situation through the alternative political, economic and social options presented. This could involve the use of set objective models with objective variables, the level and structure of which will be defined on the basis of the objectives of the LPA and the guidelines of AAF-SAP. Perspective studies conducted by ECA and other international organizations could be analysed in this regard and adapted to specific national and subregional frameworks by means of more detailed decennial forecasts using sounder statistical methodologies yet to be prepared.

(b) At the national level:

- (i) Four- to five-year medium term plans which would be so sequenced as to make implementation of the long-term development plan possible and introduce a degree of flexibility in the planning process. The medium-term plan would thus become an instrument for review and updating of the long-term plan and ensure its continuity. It should be more detailed and relate not only to sectors and subsectors but also to various specific planned activities.
- (ii) One- to two-year short-term plans which will serve as instruments for implementing for medium- and long-term plans. Such plans should be detailed and precise with regard to the nature and structure of resource allocation to the various sectors, subsectors and projects and make for the systematic integration of financial, economic and social aspects.

44. The principle of the method is therefore to secure policy dominance in the short and medium terms, in other words the dominance of decision-making for long-term development and to subordinate structural adjustment requirements to such development rather than the reverse as is the case in the rolling public investment programmes currently being implemented by many African countries. It also entails the application of long-term guidelines in the use of the technical instruments used in the planning process and short-term programming. It also requires paying special attention to two types of linkages: conformity between specific objectives and the policies for attaining them and conformity of the practical decisions that the policies and objectives cover.

45. Major efforts should therefore be made to ensure that the objectives and policies are clear, precise and detailed in such a way as to establish, right from the commencement stage up to the final phase, the responsible institutions, procedures, implementation time-table and the direct and indirect factors that would help achieve the objective. As such, what is needed for each policy, be it an investment policy or an organization policy, is to estimate the time necessary for its design, implementation and the time frame for the various component activities.

46. In this approach, efforts should be made to ascertain when the effects of a given programme will begin to be felt, in order to secure a better understanding of the linkages between and interdependence of the policies, to appreciate the importance of the sequencing of policy implementation, to substantially improve the monitoring of plan implementation by rationally selecting appropriate monitoring indicators for the various programmes and subprogrammes.
47. A totally effective sequencing of the long, medium and short terms will have been achieved when the detailed policies prove to be in harmony with the objectives and a detailed programming made to outline the sequence of activities in time and when specific decisions match objectives. A major deficiency in African planning will thus have been remedied through the strengthening of financial monitoring, the development of physical follow-up of investment programmes, the monitoring of implementation and the evaluation of the impact of organizational policies aimed at creating an enabling environment. Such monitoring will highlight design deficiencies, the constraints on the pursuit of planned policies and lead to the taking of the necessary remedial measures.
48. Such planning process also enables advantage to be taken of the various technical innovations introduced in planning during the 1970s and 1980s, namely, the rolling triennial investment or public expenditure programmes, priority programmes of action (Senegal), priority areas of intervention (Mali), innovations giving pride of place to selective and normative procedures through hierarchical arrangement of State priorities, and the block programming system (the Congo and Gabon) in which the first block relates to a central nucleus of programmes selected in accordance with their contribution to strategic objectives which should be fairly precise and deemed unchangeable and corresponding to available plan resources, and to operational tranches of decreasing priority the realization of which is contingent on the acquisition of additional resources. With regard to project evaluation, the technique of analysis of the nucleus of the investment programme concentrates on top priority projects, resources for feasibility studies, impact on the environment and the assessment of recurrent expenditure.
49. Studies on project sectors also provide more information than was available prior to the investment decision by taking into consideration all the various stages of the enhancement of the product, of production all the way to final consumption by singling out possible bottlenecks and identifying complementarities between the various operations. This approach which has already been mastered in certain African countries for coffee, cocoa, cotton, groundnuts, petroleum, copper, uranium, etc. can, through aggregation, serve as a vital tool for overall planning. However, such innovations should not only be part of a long-term development strategy reflecting effective collective preferences but also should not a priori be subject to the conventional SAPs of the World Bank and IMF as is often the case.
50. Integrating long- medium- and short-term considerations into long-term planning also makes for better use of short-term forecasting techniques, based on the design of adequate models drawn from the social accounting matrices that ECA has tried out in certain countries, within a process that secured the indispensable continuity of planning. Indeed, it is unfortunate that in Africa, the distinction between plan preparation and execution has always created an absurd gap in the planning process: several months of intensive work to bring together planning commissions, prepare the macro-economic framing, choose among programmes and projects and draft a complex document are followed by a latent period devoted at best to monitoring project execution dependent on the acquisition of external financial resources.

(c) Long-term planning requirements

51. Within Africa's current context, the revitalization of long-term development planning requires urgent measures that seek to give national planning systems, solid and legitimate political clout and economic policy instruments which should be efficiently used within an appropriate framework and under adequate institutional conditions.

(d) Political level

52. One important aspect of the long-term development planning process has far more to do with the behaviour, attitude and the reasoning of the economic agents involved in addressing problems relating to the choice of the type of society to be built and the development models, objectives and strategies to be followed together with their economic policy instruments, than with the development of new techniques or establishment of new institutions. The process starts with as comprehensive an assessment of needs and constraints as possible so as to bring out genuine collective preferences that are translated into priorities of a coherent strategy to be used as a normative frame of reference for all development decisions. Such a process is based on genuine political will which means the firm and irreversible commitment of all social strata of the population to the conscious preparation, acceptance and implementation of a development strategy.

53. Such political will gives long-term planning its full meaning and enables the national community to internalize development challenges, and to ensure long-term methodical management based on daily and current experiences. Secondly, thanks to it, planning can become a reliable guide for the nation as a whole and the international community at large, that is to say, all economic and social transactors, households, the private formal sector, public enterprises, the informal sector, subregional co-operation organizations, foreign aid agencies and international organizations. This can only apply if the planning process contributes to perfecting the mechanisms for organizing and establishing genuine democratic dialogue at the national level.

54. The African Charter for Popular Participation in Development, adopted in Arusha, in February 1990, clearly spelt out the appropriate strategies, modalities and measures to be taken by Governments, the people, youth and workers' organizations, non-governmental organizations (NGOs), voluntary development organizations (VDOs) women's organizations and by the international community, to ensure real participation in development. The approach proposed in this study recommends the immediate introduction of such strategies, modalities and measures in the planning process in order to: (i) reach a consensus on the formulation and application of economic and social policies; (ii) promote the various forms of productive participatory development through the institution of autonomous grass-roots organizations, networking and co-operation among popular organizations and development of the people's ability to formulate and analyse economic development policies, programmes and approaches; (iii) guide technical assistance programmes towards the enhancement of national capabilities in designing, analysing and executing economic reform and development programmes; (iv) encourage the democratization of development by putting the human dimension at the centre of adjustment programmes, which must be compatible with the objectives and aspirations of the peoples of Africa; and (v) increasingly support the NGOs and the VDOs in their recovery and development efforts, as well as initiate and organize popular participation in Africa.

55. The organization of such democratic decision-making should go along with the identification of needs, analysis of interests, the formulation of collective preferences, and the gradual preparation

of an adequate development strategy. The formulation of a development strategy calls for choices which are, at the same time, political, because they deal with ultimate objectives, and technical, because they must take account of constraints. These choices will only be accepted and obligatory if they are based on dialogue throughout the planning process up to when precise and operational decisions are taken. Current practices are quite far from these requirements, especially, if due consideration is given to the disproportionate role played by consultancies and foreign experts in the preparation of plans in Africa.

56. The establishment of such a process requires that the need to plan development be genuinely recognized at the highest level of decision-making. This type of planning can only function when politicians and high-ranking civil servants accept that there are limits to their freedom of action. This is so because the planning discipline, moreover, confines the autonomy of individuals and services to the more general interest of a sound national policy. Without such a commitment, policy-making will lack coherence and may lead to an actual loss of sovereignty since the major economic options will escape the State's control. The utilization of existing national planning capabilities and the building up of national planning potential will, on the contrary, offer a technical basis for sincere dialogue with all agents involved in the planning process.

57. The organization of a democratic decision-making process can be enhanced, largely, by developing the interface and co-ordination systems described above. Furthermore, it will make for solving the major problem encountered, at the moment, in the established planning systems namely, reconciling the two apparently contradictory but essentially interdependent objectives: (a) the need to decentralize, in order to take account of the local potential and constraints and harness the knowledge and energies of the millions in the rural areas into development; (b) the need for central management so as to promote integration at the national level, specialization at the local and regional level as well as the rational management of resources, mostly financial, secured from internal and external sources.

58. The planning process, due to decentralization, will better take charge of the spatial dimension of development through: (a) the organization of the national space as from physical planning schemes; (b) the balanced development of the rural areas through the promotion of more diversified production activities and the establishment of human settlements so as to curb rural exodus through activities likely to influence the movement of people and trade and ensure a more rational use of land, a more equitable distribution of economic, social and cultural activities and revenue; (c) the development of towns in harmony with the development of industry and infrastructures; and (d) the deglobalization of sectoral plans and further decentralization of action programmes.

59. The institution of decentralized planning will, undoubtedly, lead to a review of the role of such central planning agencies as currently exist in most countries. This role will be limited to the co-ordination of local and regional plans, their integration into an overall coherent framework and the management of certain key economic policy instruments. Development guidelines and objectives set forth in national plans must be based, more on a thorough knowledge of the potentials and needs as well as on a better determination of priorities at the local and regional levels. Planning should therefore be considered, above all, as an instrument meant to guide, manage and stimulate economic activities towards a better organization of priorities and coherent policies.

60. The establishment of decentralized planning should also secure more management autonomy and freedom of decision-making, for public enterprises and mass organizations in particular. The

quest for ways and means to take account of the initiatives of the people, decentralized communities, regions and localities expected to meet their own needs through their own means, must be a basic and constant exercise in planning.

61. Within Africa's current circumstances, this type of planning will, obviously, require a fresh distribution of tasks within the State apparatus. Such distribution will include a significant transfer of technical know-how and financial resources to the local and regional levels, including resources meant for the operations and studies of government agencies, and technical planning commissions which conduct all basic planning studies. It may be crucial to establish efficient local development assistance institutions to provide financial, technical and material assistance for decentralized activities as well as prepare staff training and advanced training programmes to meet decentralization requirements.

C. Mastery of economic policy instruments

62. Within Africa's current situation, policy preparation systems should be systematically assessed and a programme of action formulated to improve and strengthen national planning systems and establish planning structures at the subregional level, as a matter of utmost urgency. Such an assessment must deal, particularly, with institutional and organizational capabilities, local planning staff and conditions for the efficient functioning of selected economic instruments for the implementation of a planning process based on AAF-SAP guiding principles.

63. The adoption of an integrated forward-planning process capable of reflecting long-, medium- and short term concerns by integrating financial and realistic variables, presupposes a planning system likely to master any economic policy instruments that govern:

(a) Macro economic balance and control of public spending:

- (i) Income and expenditure budget: implementation of fiscal and public spending policy adapted to plan objectives;
- (ii) Money supply and loans: policies on the sectoral allocation of loans to be granted in priority sectors, adoption of selective interest rates, establishment of a fund for lending at subsidized rates to certain groups of operators, intra-African monetary co-operation, etc.;
- (iii) Distribution of foreign aid, pursuant to objectives and priorities of the plan;
- (iv) Regulation of foreign borrowing: limiting of debt service ratios, channelling borrowed money into plan objective and priority areas, etc.;
- (v) Exchange rate and exchange control: rational use of de facto multiple exchange rates and/or establishment and streamlining of such a system so as to transfer and mobilize resources, stop capital flight and ensure the availability of essential imported products.

(b) System to encourage efficient resource allocation:

- (i) Adoption of investment codes and procedures so as to promote local small-scale industries, modernize agriculture, animal husbandry and the informal sector;
- (ii) Regulation and orientation of foreign investment to conform with priorities of the plan;
- (iii) Control over public enterprises (choice of technologies, determination of production costs, employment and training policies, production programmes, etc.);
- (iv) Pricing policy, especially, for agricultural products and other essential goods and exercise of control over them;
- (v) Selective policy to subsidize prices in order to increase the local supply of essential goods;
- (vi) Policies on public service employments and salaries in conformity with objectives of the plan;
- (vii) Fiscal policies in favour of long-term development;
- (viii) Review of policies relating to customs duty, import quotas, taxes and export subsidies in order to accelerate the integration of African economies;
- (ix) Policies on import licences oriented towards priorities of the plan; transport policies geared towards the development of intra-African trade.

(c) Institutional and local manpower development - quality control instruments:

- (i) Land and agrarian reforms policy giving increased access and right to land as well as land ownership;
- (ii) Scientific and agricultural research policies reflecting the priority objectives of the plan;
- (iii) Educational and training policy in line with long-term economic development objectives;
- (iv) Policies to rehabilitate and rationalize production capabilities and infrastructures;
- (v) Physical planning policies for fairly balanced spatial development liable to curb rural-urban drift and the growth of cities;
- (vi) Population policies in relation to development objectives;

- (vii) Popular participation in the planning process - organization and modalities;
- (viii) Legal infrastructure: formulation of precise legislation on the participation of various economic and social groups such as rural co-operatives, craftsmen-traders;
- (ix) Establishment of rural institutions to encourage cottage and home industries with emphasis on indigenous technology, domestic financing, rural infrastructure and women's participation; community development institutions, particularly, local NGOs and self-help programmes.

64. Certain specific instruments for the follow-up of popular participation identified within the African Charter on Popular Participation such as:

- (a) Political accountability of leaders at all levels for the results and progress of planned activities;
- (b) Decentralization and democratization of decision-making processes and institutions;
- (c) Press and media freedom in order to facilitate public debate on major issues;
- (d) Rule of law, social and economic justice;
- (e) Protection of the ecological and human environment;
- (f) Establishment of a co-ordinated planning system that controls all the economic policy instruments for selected plan implementation.

65. Planning must basically address the examination and selection, depending on the special situation of each country and subregion of major policy instruments (which must be given their proper place, within a given time frame) from the list of instruments proposed earlier along with other instruments deemed useful after prior analysis of the substantive tasks to be performed. At the national and subregional levels, an organizational framework in terms of the essential instruments chosen for the execution of plans should be worked out and the staff necessary to make these structures function identified, selected and organized.

C. Establishment of a basic information system

66. A programme for the recovery of long-term planning potential must give priority to the improvement of basic data, without which proper analysis of economic policy cannot be conducted. Indeed, the deficiency in the system of data on African economies is well known: data describing the official economic system give an incomplete and inaccurate picture of real economic activity. Available data have always poorly appraised subsistence activities in the rural area, sales of local foods and the non-structured urban sector. With the upsurge of the crisis, the parallel economy is booming but, a growing number of activities escape the control of official circles and business is transacted at prices very different from those officially approved. Black market foreign currency operations compete with the volume of official exchange transactions; articles subject to price control are sold to consumers at prices several times higher; huge quantities of goods enter and leave the countries illegally; and State property is used for private economic activities.

67. Apart from finding out whether all these parallel economic activities are advisable or not, it is clear that any economic analysis that fails to consider them is incomplete. The immediate thing to do is to determine core formal definitions of a minimum data system for planning, in terms of set short- medium- and long-term objectives.

68. Within the implementation of development objectives such as those recommended by LPA and AAF-SAP, such an information system would, necessarily, include:

- (a) Main elements of a standard national accounting system established each year (with an input-output table, updated, for instance, every five years);
- (b) Estimates of real income and expenditure of households per sector and per social group;
- (c) Complete agricultural data on the main foodstuffs and export crops produced;
- (d) Industrial statistics, principally, production, use of capacities, costs and input-output correlations;
- (e) Social statistics: education, health, nutrition, housing, employment, unemployment and satisfaction of basic needs;
- (f) Budgetary data, with expenditure presented if possible in a manner that can be analysed according to its economic function and its distribution per ministry;
- (g) Data on the balance of payments, external debt and money supply;
- (h) Basic economic documents comprising feasibility studies on sectoral activities, project execution reports, all sectoral studies likely to lead to a better understanding of national, subregional and regional economic activity and development prospects.

69. In conclusion, the three basic requirements for restoration of long-term planning as earlier mentioned must be met if the errors of the past are to be avoided. The region can respond by rationally using established planning capacities; strengthening statistical systems at the national, subregional and regional levels; establishing economic policy instruments and adequate institutional structures at the national and subregional levels; and upgrading available human resources, especially, the technical staff, in the area of planning and statistics. The perspective studies already conducted by ECA could serve as a basis for long-term subregional planning which would constitute a reference framework for the harmonization and integration of national plans. Training institutions funded by the Commission can also contribute to the enhancement and development of the African technical skills needed for decentralized planning.